

SENATE BILL 4260

By Johnson

AN ACT relative to the Franklin Special School District, Williamson County, created by Chapter 563 of the Private Acts of 1949, as amended, to authorize the Franklin Special School District to issue and sell school bonds and notes in an aggregate principal amount of not to exceed five million five hundred thousand dollars (\$5,500,000); to provide the form and terms of said bonds and notes; to authorize the refinancing of said bonds and notes; to establish and provide for the payment of the bonds and notes; to levy a tax for the payment of the principal of, interest and redemption premium, if any, on such bonds and notes; to provide for the issuance and sale of said bonds and notes and the use and disposition of proceeds therefrom; and to authorize the issuance of notes in anticipation of the issuance and sale of bonds.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. The Franklin Special School District, located in Williamson County, Tennessee (the "District"), created by Chapter 563 of the Private Acts of 1949, as amended, is hereby authorized and empowered to issue and sell, by resolution of the Board of Education of the District, bonds and/or notes in the collective aggregate principal amount of not to exceed five million five hundred thousand dollars (\$5,500,000) for the purpose of providing funds (i) for the construction, improvement, renovation, expansion, furnishing, fixturing and equipping of school buildings and facilities, and additions thereto, in and for the District, including the purchase of all property, real and personal, or interests therein, necessary in connection with said work, (ii) for the funding of all accounts and funds necessary and proper in connection with the issuance and sale of the bonds and notes as the Board of Education of the District shall determine, (iii) for the payment of interest on the bonds and notes during the period of construction and for six (6) months thereafter, and (iv) for the payment of all legal, fiscal,

administrative, architectural, engineering, accounting and similar professional and other costs incident thereto and to the issuance and sale of the bonds and notes.

SECTION 2. The bonds and notes may be sold at public or private sale in one (1) or more series, may bear such date or dates, shall mature at such time or times, not exceeding twenty-five (25) years from their respective dated dates with respect to any series of bonds and twelve (12) years with respect to any series of notes, may bear interest at a zero (0) rate or at such other rate or rates not to exceed six and one-half percent (6.5%) per annum (which may vary from time to time), may be payable at such time or times, may be in such denominations, may carry such registration and conversion privileges, may be executed in such manner, may be payable in such medium of payment at such place or places, may be subject to such terms of redemption, with or without premium and may provide for the replacement of mutilated, destroyed or lost bonds and notes, all as may be provided by resolution of the District's Board of Education. The bonds and notes shall be sold as a whole or in part from time to time in such manner as shall be provided by resolution of the District's Board of Education, but in no event shall the bonds and notes be sold for less than ninety-eight percent (98%) of par plus accrued interest (or, if all or any part of such bonds and notes is to be sold at a zero (0) rate of interest or at an original issue discount, such bonds and notes may be sold at not less than ninety-eight percent (98%) of the original reoffering price of such bonds and notes, plus accrued interest). The Board of Education of the District is authorized and empowered to do and perform all acts and enter into all agreements which may be necessary or desirable in connection with the issuance and sale of the bonds and notes and to delegate the power to consummate all such acts and execute and implement all such agreements on its behalf as the Board of Education shall deem necessary or desirable.

SECTION 3. The bonds, notes, refunding bonds and bond anticipation notes shall be issued in fully registered form and shall be signed and sealed as provided in the Tennessee

Public Obligations Registration Act and in the resolution adopted by the District's Board of Education authorizing the bonds, notes, refunding bonds or bond anticipation notes.

SECTION 4. For the purpose of paying principal of and interest and redemption premiums on the bonds, notes, refunding bonds, and bond anticipation notes herein authorized and any other indebtedness of the District, there is hereby levied, in addition to any tax currently being levied within the boundaries of the District for the benefit of the District, a continuing annual property tax to take effect for the tax year in which such bonds or notes are issued and each year thereafter, of three cents (3¢) per one hundred dollars (\$100) of taxable value of taxable property located within the District. The rate hereinabove established may be adjusted from time to time in accordance with the procedure set forth in Tennessee Code Annotated, Section 67-5-1704, relating to county-wide reappraisal. In addition, in the event the total assessed value of all property subject to the tax hereinabove described declines by more than ten percent (10%) from January 1 of any year to January 1 of the next succeeding year or declines by more than fifteen percent (15%) from January 1 of any year to January 1 of the second succeeding year thereafter, at the request of the Board of Education, the county assessor of property shall certify to the county trustee and the Board of Education the total assessed value of taxable property within the District and furnish the county trustee and the Board of Education an estimate of the total assessed value of all new construction and improvements not included on the assessment roll of the base year and all deletions from the assessment roll of the base year. Upon receipt of said information and certifications, the county trustee shall adjust the tax rate established herein to an adjusted rate which is estimated to provide to the District the same tax revenue as was provided by said tax in the base year, exclusive of such new construction, improvements and deletions, in accordance with policies established by the state board of equalization pursuant to Tennessee Code Annotated, Section 67-5-1701(b), or any successor thereto. Said taxes shall be used to pay principal and interest

and any redemption premium on the bonds authorized herein and any other indebtedness of the District as it becomes due and to maintain debt service fund balances. The Board of Education is hereby authorized to pledge such tax to pay the principal of and interest and any redemption premiums on the bonds and any other indebtedness of the District. The taxes shall be annually extended and collected by the county trustee of Williamson County in the manner provided by general law for the extension and collection of county taxes and shall constitute a lien on the property against which they are levied with the like force and effect as do county taxes. In the event the property taxes and such other funds as shall be pledged to the payment of the indebtedness of the District are not sufficient to pay principal thereof and interest thereon when due, the District shall apply funds from operations or other available funds of the District to the payment thereof. So much of the surplus arising from the tax hereinabove described and not required for the payment of debt service on outstanding obligations of the District shall first be used to fund any debt service reserve fund established by the Board of Education, and may thereafter be used, at the discretion of the Board of Education of the District, for the construction, improvement, renovation, expansion, furnishing, fixturing and equipping of school building and facilities, and additions thereto, in and for the District, including the purchase of all property, real and personal, or interests therein, necessary in connection with said work, and the purchase of school buses and school transportation equipment, and all other operations and maintenance of schools in the District.

SECTION 5. The Board of Education is authorized, but not required, to pledge to the payment of the bonds and notes all or a portion of (i) any funds received by the District under the Tennessee Basic Education Program available to be used for capital outlay expenditures, as set forth in Tennessee Code Annotated, Section 49-3-351 et seq., and related sections, (ii) its share of the Local Option Sales and Use Tax now or hereafter levied and collected in Williamson County, Tennessee, pursuant to Tennessee Code Annotated, Section 67-6-712, and

(iii) any other funds received from the State of Tennessee, or any of its authorities, agencies or instrumentalities, for school purposes and available to be used for capital outlay expenditures.

SECTION 6. The bonds, notes, refunding bonds, and bond anticipation notes, and all income therefrom, shall be exempt from all state, county and municipal taxation in the State of Tennessee, except inheritance, transfer and estate taxes and except as otherwise provided by applicable law.

SECTION 7. The District is further authorized, by resolution of the Board of Education, to borrow money and issue its bonds and notes for the purpose of refunding at or prior to maturity, in whole or in part, at any time, in accordance with the terms hereof, the bonds and notes authorized herein and the refunding bonds and refunding notes authorized herein, in an amount not exceeding the outstanding principal amount of the outstanding bonds or notes being refunded, premium thereon, interest on such refunded bonds or refunded notes to maturity or earlier redemption and costs of issuance, including discount, if any. The Board of Education shall have the power to provide for the custody, application and investment of the proceeds of the refunding bonds and refunding notes pending retirement of the refunded bonds and refunded notes.

SECTION 8. The District is further authorized, by resolution of the Board of Education, to issue and sell bond anticipation notes of the District in anticipation of the issuance of the bonds authorized herein. The bond anticipation notes may be sold in one (1) or more series, may bear such date or dates, shall mature at such time or times, not exceeding three (3) years from their respective dated dates and may be extended or renewed for not more than one (1) additional period of three (3) years, may bear interest at such rate or rates not to exceed six and one-half percent (6.5%) per annum (which may vary from time to time), may be payable at such time or times, may be in such denominations, may carry such registration and conversion privileges, may be executed in such manner, may be payable in such medium of payment at

such place or places, may be subject to such terms of redemption, with or without premium, and may provide for the replacement of mutilated, destroyed or lost bond anticipation notes, all as may be provided by resolution of the Board of Education. The bond anticipation notes shall be sold as a whole or in part from time to time at public or private sale in such manner as shall be provided by resolution of the Board of Education but in no event shall the bond anticipation notes be sold for less than ninety-nine percent (99%) of par plus accrued interest. Unless paid for out of the funds identified in Section 4 and/or 5 hereof, when the District receives the proceeds from the sale of the bonds in anticipation of which the bond anticipation notes were issued, a sufficient portion of proceeds shall be used to pay the principal of such bond anticipation notes and may be used to pay the interest thereon. The Board of Education of the District is authorized and empowered to do and perform all acts and enter into all agreements which may be necessary or desirable in connection with the issuance and sale of the bond anticipation notes and delegate the power to consummate all such acts and execute and implement all such agreements on its behalf as the Board of Education shall deem necessary or desirable.

SECTION 9. No election shall be necessary for the authorization of the obligations authorized hereunder and the provisions of Section 9 of Chapter 563 of the Private Acts of 1949, as amended, shall not be applicable to the bonds, notes, refunding bonds, and bond anticipation notes issued hereunder.

SECTION 10. In the event that the laws creating the District are repealed or the District is abolished, that portion of such laws levying a tax, the proceeds of which are pledged to the payment of outstanding bonds and indebtedness of the District, shall remain in full force and effect with respect to the real and personal property within the District to the extent necessary to satisfy the District's debt service requirements with respect to said bonds and indebtedness, and the outstanding bonds and indebtedness of the District shall remain binding and valid

obligations of the District the same to be paid out of funds collected in respect of the tax hereby required to be continued to be levied. In such event, the said remaining tax shall continue to be collected by the Williamson County trustee and funds collected in respect thereof shall be paid in respect of the District's outstanding bonds and indebtedness by the Williamson County Board of Education until such bonds and indebtedness have been paid in full.

SECTION 11. If any provision of this act or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the act which can be given effect without the invalid provision or application, and to that end the provisions of this act are declared to be severable.

SECTION 12. This act shall take effect upon becoming a law, the public welfare requiring it.